C. REMARKS

1. Summary of the Claims

Claims 1-20 are currently pending in the application. Claims 1, 8, and 14 are independent claims. Claim 1 has been amended. No claims have been added or cancelled in this Response. No new matter has been added. Reconsideration of the claims is respectfully requested.

2. Examiner Interview

Applicant notes with appreciation the telephonic interview conducted between Applicant's patent agent, Scott Schmok, and the Examiner on August 13, 2004. During the telephonic interview, the Examiner and Applicant's patent agent discussed the 102 reference (Cooney, et al., U.S. Publication No. 2002/0023060). In particular, Applicant's patent agent discussed that Applicant's invention uses "service levels" in order to determine a labor cost, which corresponds to a customer's level of urgency (e.g. next day requirement, next week requirement, etc). In contrast, Cooney uses labor rates in order to determine a labor cost, whereby the labor rates correspond to a person's skill level, such as a junior technician or a senior technician.

Applicant's patent agent and the Examiner discussed making claim amendments in light of the reference, even though Applicant's specification clearly describes the term "service level." Applicant's patent agent agreed to amend the claims so long as the Examiner, upon performing another search, does not issue a Final Office Action. To this the Examiner would not agree and, therefore, Applicant has not amended his

claims. Applicant respectfully submits that, as explained in further detail below, that Applicant's independent claims and their respective dependent claims are in condition for allowance.

3. Drawings

Applicants note that the Examiner did not indicate whether the Applicant's formal drawings are accepted by the Examiner. Applicant respectfully requests that the Examiner indicate whether the formal drawings are accepted in the next office communication.

4. Claim 35 U.S.C. § 101

Claims 1-7 stand rejected under 35 U.S.C. § 101 because the claimed method for estimating service oriented labor costs does not recite a limitation in the technological arts. Applicant has amended claim 1 to include a limitation in the technological arts and, since claims 2-7 depend upon independent claim 1, claims 2-7 also include a limitation in the technological arts. Therefore, Applicant requests that the Examiner remove the 101 rejections to claims 1-7.

6. Claim Rejections 35 U.S.C. § 102

Claims 1, 6-8, 13-14, and 19-20 stand rejected under 35 U.S.C. § 102(e) as being anticipated by U.S. Publication No. 2002/0023060 to Cooney et al. (hereinafter "Cooney"). Applicants respectfully traverse the rejections.

Each of the limitations included in the independent claims was rejected under 35 U.S.C. § 102(e) as being anticipated by Cooney. A claim is anticipated under § 102

only if each and every element of the claim is found, either expressly or inherently, in a single prior art reference. MPEP § 2131 states, in part:

> **TO ANTICIPATE A CLAIM, THE REFERENCE MUST TEACH EVERY ELEMENT OF THE CLAIM**
>
> "A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987). >"When a claim covers several structures or compositions, either generically or as alternatives, the claim is deemed anticipated if any of the structures or compositions within the scope of the claim is known in the prior art." *Brown v. 3M*, 265 F.3d 1349, 1351, 60 USPQ2d 1375, 1376 (Fed. Cir. 2001) (claim to a system for setting a computer clock to an offset time to address the Year 2000 (Y2K) problem, applicable to records with year date data in "at least one of two-digit, three-digit, or four-digit" representations, was held anticipated by a system that offsets year dates in only two-digit formats). See also MPEP § 2131.02.< "The identical invention must be shown in as complete detail as is contained in the ... claim." *Richardson v. Suzuki Motor Co.*, 868 F.2d 1226, 1236, 9 USPQ2d 1913, 1920 (Fed. Cir. 1989). The elements must be arranged as required by the claim, but this is not an *ipsissimis verbis* test, i.e., identity of terminology is not required. *In re Bond*, 910 F.2d 831, 15 USPQ2d 1566 (Fed. Cir. 1990). Note that, in some circumstances, it is permissible to use multiple references in a 35 U.S.C. 102 rejection. See MPEP § 2131.01.

As described in further detail below, Cooney falls far short of teaching each and every element of Applicant's independent claims. Comparing Applicant's claim limitations with the sections of Cooney cited in the Office Action make this amply clear.

In addition, the Office Action misconstrues the definitions of Applicant's terms and applies the misconstrued definitions to the art of record in order to reject Applicant's claims. MPEP 2111 states:

> "the PTO applies to verbiage of the proposed claims the broadest reasonable meaning of the words in their ordinary usage as they would be understood by one of ordinary skill in the art, taking into account whatever enlightenment by way of definitions or otherwise that may be afforded by the **written description** contained in applicants' specification...Claims are not to be read in a vacuum, and limitations therein are to be interpreted in light of the **specification** in giving them their broadest reasonable interpretation...The court ruled that...when interpreting a claim term that is ambiguous...we must look to the **specification** for the meaning ascribed to that term by the inventor" (emphasis added).

Applicant uses particular terms in his claims that, without referring to Applicant's specification, are ambiguous. As discussed in detail below, when assessing Applicant's claims using the term descriptions that are included in Applicant's specification, Applicant's claims are not anticipated by Cooney.

Independent claim 1 is directed estimating service oriented labor costs comprising:

- receiving a request from a requestor;
- identifying one or more resources and one or more service levels corresponding to the request;
- calculating a labor rate by service level corresponding to the identification;
- generating a response corresponding to the calculation; and
- sending the response to the requestor.

Applicant claims using one or more "service levels" in order to generate a service orientated labor cost response. Applicant describes the term "service level" in Applicant's

specification as a level that corresponds to a customer's "urgency." Applicant's specification states:

- "the present invention relates to a system and method for providing detailed labor costs corresponding to an **urgency level** in order to more accurately plan, measure, and manage a labor pool (page 1, lines 7-10, emphasis added).
- "one level of service is when a customer requests a product or service on the same day of his request. Another level of service is when a customer requests a product or service within one week of his request" (page 8, lines 23-26).
- "accurate bidding on customer requests is achieved by generating labor indices by service level and applying them to standard labor rates. The result is multiple labor rates by service level that accurately accounts for various **customer levels of urgency** (page 3, lines 2-6).

Therefore, based upon MPEP 2111 and, thereby, using Applicant's specification to understand the meaning ascribed to "service levels," Applicant's invention claims estimating a service oriented labor cost based upon a requestor's level of urgency.

In contrast, Cooney uses **labor rates** in order to determine a labor cost, whereas Cooney's labor rates correspond to a "listing of various skilled tradesman" (page 2, para. 0014), such as a junior technician or senior technician. Cooney's labor rates are completely different that Applicant's service levels. In fact, Applicant discusses the drawbacks of Cooney's invention in Applicant's background section of Applicant's specification in that "standard labor rates...lack detail to accurately determine labor costs for bidding on a particular level of service, or level of urgency" (page 2, lines 12-14). Furthermore, Cooney states that "The

type of part or process being processed helps in the determination of which labor rate is used, i.e. if it is an engineering highly technical part with tight tolerances, then machine operators with **greater skills and higher labor rates are designated**" (page 7, para. 0083). To summarize, Cooney identifies a skill level to perform an operation, and uses a labor rate that corresponds to the identified skill level in order to calculate the labor cost.

Cooney never teaches or suggests using a level of urgency to determine a labor cost. Cooney states that his "system is based upon the assumption that...a part [is] manufactured [by] a world-class competitor and...[the] best labor rates [are used]" (Abstract, emphasis added). Therefore, Cooney uses a best in class labor rate for each particular skill level, and never teaches using a different labor rate for the same particular skill level **based upon a requestor's level of urgency** as claimed by Applicant.

Therefore, as discussed above, since Cooney does not teach or suggest, in whole or in part, all of the limitations of Applicants' claim 1, claim 1 is allowable over Cooney for at least this reason. Claim 8 is an information handling system claim including the same limitations of claim 1 and, therefore, is allowable for at least the same reason as claim 1. Claim 14 is a computer program product claim including the same limitations of claim 1 and, therefore, is allowable for at least the same reason as claim 1.

Claim 6 is dependent upon amended claim 1 and, therefore, is allowable for at least the same reasons as amended claim 1. Claim 13 is dependent upon amended claim 8 and, therefore, is allowable for at least the same reasons as amended claim 8.

Claims 19-20 are dependent upon amended claim 14 and, therefore, are allowable for at least the same reasons as amended claim 14.

7. **Claim Rejections 35 U.S.C. § 103**

Claims 2-4, 9-11 and 15-17 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Cooney in view of Fad et al. (U.S. Pat. No. 5,793,632, hereinafter "Fad"). Applicants respectfully traverse the rejections.

Notwithstanding the fact that claim 2 is dependent upon claim 1 and therefore allowable for the same reasons as claim 1, claim 2 is independently allowable because it adds the limitations of:

- calculating a utilization index by service level and an overtime index by service level; and
- computing a labor index by service level corresponding to the utilization index by service level and the overtime index by service level.

As described in Applicant's specification, Applicant's "utilization index by service level" is based upon an increase in applied/billable hours. Specifically, in Applicant's specification on page 3, lines 20-29:

> "Utilization indices by service level are calculated using two primary inputs which are utilization weighting and utilization improvement... Utilization improvement is an increase in applied/billable hours. For example, a business may spend 100 hours on a project, but the business is only able to bill 60 hours (60% utilization). If they are to bill 65 hours (65% utilization) using a

particular service level, the utilization improvement is 5%."

The Office Action states that Cooney teaches all the limitations of Applicant's claim 2 except teaching inputting an overtime parameters for calculating charges for a service. However, the Office Action provides no reference in either Cooney or Fad to reject Applicant's claim 2. Specifically, the Office Action does not show that either Cooney or Fad teach or suggest using a utilization index by service level to calculate a labor cost as claimed by Applicant. In addition, Applicant has reviewed both references in detail and found no teaching or suggestion in either reference to use a utilization index by service level when calculating a labor cost.

The Office Action states, in rejecting claim 3, that "Cooney and Fad do not specifically teach calculating a utilization index and overtime index. However, calculations of the utilization index and overtime index represent mere manipulation of statistical data, and, therefore, utilization of said indexes for calculating charges for a service appear to be an obvious matter of business choice."

Calculating an overtime index does involve the use of statistical data. However, when combined with the elements of claim 1 in which claim 2 depends, Applicant's invention uses a utilization index in order to generate a service oriented labor cost response, which is provided to a requestor. Therefore, Applicant's claim 2 is not merely manipulating statistical data as suggested by the Office Action.

In addition, Applicants assert that calculating a utilization index is not an obvious matter of business choice

as suggested by the Office Action. As discussed above, Applicant's utilization index is based upon an increase in applied/billable hours. Neither Cooney nor Fad teach or suggest, in whole or in part, the consideration of improved billable hours when determining a labor cost for a particular product. Therefore, it is not an obvious matter of business choice to include a utilization index when estimating a labor cost as suggested by the Office Action.

Therefore, as discussed above, since neither Cooney nor Fad teach or suggest, in whole or in part, either alone or in combination with one another, all of the limitations of Applicants' claim 2, claim 2 is not obvious, and therefore allowable, over Cooney in view of Fad. Claim 9 is an information handling system claim including the same limitations of claim 2 and, therefore, is allowable for at least the same reasons as claim 2. Claim 15 is a computer program product claim including the same limitations of claim 2 and, therefore, is allowable for at least the same reason as claim 2.

Claims 3 and 4 depend upon claim 2 and, therefore, are allowable for at least the same reasons as claim 2 described above. Claims 10 and 11 depend upon claim 9 and, therefore, are allowable for at least the same reasons as claim 9 described above. Claims 16 and 17 depend upon claim 15 and, therefore, are allowable for at least the same reasons as claim 15 described above.

Claims 5, 12, and 18 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Cooney. Applicants respectfully traverse the rejections.

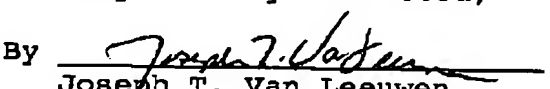
Claim 5 is dependent upon independent claim 1, which is allowable over Cooney for the reasons discussed above in the 35 U.S.C. § 102(e) rejection section of this Response. Therefore, claim 5 is allowable for at least the same reasons as claim 1. Claim 12 is dependent upon independent claim 8, which is allowable over Cooney for the reasons discussed above in the 35 U.S.C. § 102(e) rejection section of this Response. Therefore, claim 12 is allowable for at least the same reasons as claim 8. Claim 18 is dependent upon independent claim 14, which is allowable over Cooney for the reasons discussed above in the 35 U.S.C. § 102(e) rejection section of this Response. Therefore, claim 18 is allowable for at least the same reasons as independent claim 14.

CONCLUSION

As a result of the foregoing, it is asserted by Applicants that the amended claims in the Application are in condition for allowance, and Applicants respectfully request an early allowance of such claims.

Applicants respectfully request that the Examiner contact the Applicants' attorney listed below if the Examiner believes that such a discussion would be helpful in resolving any remaining questions or issues related to this Application.

Respectfully submitted,

By 

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